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AdvaMed

Advanced Medical Technology Association

June 6, 2002

The Honorable Bill Thomas
Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515-6348

Dear Chairman Thomas:

On behalf of America's medical technology companies and the patients we serve, I want to thank you for your continued commitment to ensuring that Medicare beneficiaries have access to the new medical technologies they need. Your committee's Medicare reform legislation represents significant progress toward that goal, and we strongly support it.

The bill includes important provisions to encourage better coordination and accountability within the Centers for Medicare and Medicaid Services by creating a Medicare Council for Technology and Innovation. By providing a single point of contact at CMS for medical technology issues, this Council will be especially helpful to the thousands of small companies developing new breakthroughs as they seek to make these advances available to America's seniors and people with disabilities.

In addition, the bill adopts provisions of a bill introduced by Reps. Jennifer Dunn (R-WA) and Jim McDermott (D-WA) (H.R. 1798) to improve access to new diagnostic tests that can detect diseases earlier and more accurately by establishing a transparent, predictable process for setting Medicare reimbursement rates for these technologies. These provisions adopt recommendations made in a recent Institute of Medicine report.

The inpatient provisions of your bill build on reforms included in the Medicare Innovation Responsiveness Act (H.R. 2973), introduced by Reps. Jim Ramstad (R-MN) and Karen Thurman (D-FL) to reduce patient access delays and ensure that new technologies used in the hospital inpatient setting receive timely, adequate reimbursement. These provisions also would provide a more public process to determine eligibility for the new technology payments and would help to speed the assignment of Medicare codes for new technologies.

The Honorable Bill Thomas

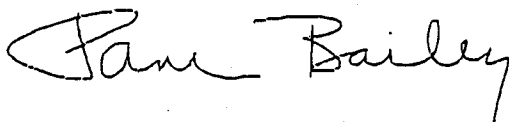
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AdvaMed is greatly encouraged by these reforms, but we have concerns about language in the package to give CMS broad new authority to enter into competitive bidding contracts to purchase certain products, including durable medical equipment. We believe it is premature to impose competitive bidding on a national scale without fully assessing CMS' limited experience in this area. However, if the committee advances this proposal, we urge it to include basic safeguards to ensure patient access to the latest innovations and due process in the bidding process.

Thank you again for your commitment to America's 40 million Medicare beneficiaries and to ensuring they have access to the life-saving and life improving innovations they need.

Truly yours,

A handwritten signature in cursive script that reads "Pam Bailey". The signature is written in dark ink and is positioned above the printed name and title.

Pamela G. Bailey
President